



**Parvis Invest Inc.**

Condensed Interim Consolidated Financial Statements  
For the three and six months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)  
(Unaudited)

**MANAGEMENT'S COMMENTS ON  
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM  
FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the unaudited condensed consolidated interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Parvis Invest Inc. (the "Company") have been prepared and are the responsibility of the Company's management. The unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

The Company's independent auditor, MNP LLP, has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the condensed interim financial statements by an entity's auditor.

**Parvis Invest Inc.****Interim Consolidated Statements of Financial Position**

(Unaudited, In Canadian Dollars)

As at September 30, 2023 and March 31, 2023

|                                                   | September 30, 2023 | March 31, 2023   |
|---------------------------------------------------|--------------------|------------------|
|                                                   | \$                 | \$               |
| <b>ASSETS</b>                                     |                    |                  |
| <b>Current Assets</b>                             |                    |                  |
| Cash                                              | 2,533,105          | 3,753,883        |
| Prepaid expense and other receivables             | 28,789             | 35,003           |
|                                                   | 2,561,894          | 3,788,886        |
| Property and equipment                            | 2,906              | 3,508            |
| <b>TOTAL ASSETS</b>                               | <b>2,564,800</b>   | <b>3,792,394</b> |
| <b>LIABILITIES</b>                                |                    |                  |
| <b>Current Liabilities</b>                        |                    |                  |
| Accounts payable and accrued liabilities          | 433,232            | 803,785          |
| Deferred revenue                                  | 10,000             | 10,000           |
|                                                   | <b>443,232</b>     | <b>813,785</b>   |
| <b>SHAREHOLDERS' EQUITY</b>                       |                    |                  |
| Share capital (Note 6)                            | 5,086,763          | 5,086,763        |
| Options (Note 6)                                  | 440,970            | 250,430          |
| Warrants (Note 6)                                 | 391,570            | 391,570          |
| Deficit                                           | (3,797,735)        | (2,750,154)      |
|                                                   | <b>2,121,568</b>   | <b>2,978,609</b> |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> | <b>2,564,800</b>   | <b>3,792,394</b> |

*Subsequent Events (Note 12)*

The accompanying notes are an integral part of these consolidated financial statements.

*"Jas Bagry"*\_\_\_\_\_  
Director*"David Michaud"*\_\_\_\_\_  
Director

**Parvis Invest Inc.****Interim Consolidated Statements of Loss and Other Comprehensive Loss**

(Unaudited, In Canadian Dollars)

For the three and six months ended September 30, 2023 and 2022

|                                                                           | Three months ended    |                       | Six months ended      |                       |
|---------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                                                           | September<br>30, 2023 | September<br>30, 2022 | September<br>30, 2023 | September<br>30, 2022 |
|                                                                           | \$                    | \$                    | \$                    | \$                    |
| <b>REVENUE</b>                                                            |                       |                       |                       |                       |
| Sales                                                                     | 38,089                | -                     | 64,098                | -                     |
|                                                                           | 38,089                | -                     | 64,098                | -                     |
| <b>EXPENSES</b>                                                           |                       |                       |                       |                       |
| General and administrative expenses (Note 7)                              | 400,188               | 267,680               | 740,452               | 545,527               |
| Loss on derivatives                                                       | -                     | -                     | -                     | 22,793                |
| Share-based payments (Note 6)                                             | 95,791                | -                     | 190,540               | -                     |
| Technology and consulting (Note 7)                                        | 103,003               | 209,538               | 213,667               | 606,479               |
|                                                                           | 598,982               | 477,218               | 1,114,659             | 1,174,799             |
| <b>OTHER INCOME</b>                                                       |                       |                       |                       |                       |
| Interest income                                                           | 980                   | 9,823                 | 2,980                 | 13,299                |
| <b>LOSS AND OTHER COMPREHENSIVE LOSS</b>                                  | <b>(559,913)</b>      | <b>(467,395)</b>      | <b>(1,047,581)</b>    | <b>(1,161,500)</b>    |
| <b>Basic and diluted loss per share</b>                                   | <b>(0.02)</b>         | <b>(0.03)</b>         | <b>(0.04)</b>         | <b>(0.08)</b>         |
| <b>Weighted average number of common shares<br/>(basic &amp; diluted)</b> | <b>26,771,735</b>     | <b>15,620,000</b>     | <b>26,771,735</b>     | <b>14,084,481</b>     |

The accompanying notes are an integral part of these consolidated financial statements.

## Parvis Invest Inc.

### Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited, In Canadian Dollars)

For the three and six months ended September 30, 2023 and 2022

|                                                         | Shares<br>Outstanding | Share<br>Capital | Convertible<br>Note | Reserves       | Deficit            | Total            |
|---------------------------------------------------------|-----------------------|------------------|---------------------|----------------|--------------------|------------------|
|                                                         | #                     | \$               | \$                  | \$             | \$                 | \$               |
| Balance, March 31, 2022                                 | 10,000,000            | 1,000            | 312,626             | -              | (312,676)          | 950              |
| Repurchase of shares (Note 6)                           | (427,580)             | -                | -                   | -              | -                  | -                |
| Issuance of private placement shares (Note 6)           | 5,620,000             | 2,832,793        | -                   | -              | -                  | 2,832,793        |
| Allocated to warrants (Note 6)                          | -                     | (363,623)        | -                   | 363,623        | -                  | -                |
| Share issue costs (Note 6)                              | -                     | (423,304)        | -                   | -              | -                  | (423,304)        |
| Shares issued to settle convertible debentures (Note 6) | 427,580               | 48,683           | (48,683)            | -              | -                  | -                |
| Convertible notes                                       | -                     | -                | 187,000             | -              | -                  | 187,000          |
| Financing distribution on convertible notes             | -                     | -                | 22,688              | -              | -                  | 22,688           |
| Repurchase of convertible note derivative derecognized  | -                     | -                | 236,162             | -              | -                  | 236,162          |
| Repayment of convertible debenture                      | -                     | -                | (709,793)           | -              | -                  | (709,793)        |
| Loss and other comprehensive loss                       | -                     | -                | -                   | -              | (1,161,500)        | (1,161,500)      |
| <b>Balance, September 30, 2022</b>                      | <b>15,620,000</b>     | <b>2,095,249</b> | <b>-</b>            | <b>363,623</b> | <b>(1,474,176)</b> | <b>984,996</b>   |
| Repurchase of shares (Note 6)                           | (861,518)             | (86)             | -                   | -              | -                  | (86)             |
| Recapitalization of Gravitas II Capital (Note 5)        | 12,013,253            | 2,991,300        | -                   | 151,664        | -                  | 3,142,964        |
| Share-based payments (Note 6)                           | -                     | -                | -                   | 126,713        | -                  | 126,713          |
| Loss and other comprehensive loss                       | -                     | -                | -                   | -              | (1,275,978)        | (1,275,978)      |
| <b>Balance, March 31, 2023</b>                          | <b>26,771,735</b>     | <b>5,086,763</b> | <b>-</b>            | <b>642,000</b> | <b>(2,750,154)</b> | <b>2,978,609</b> |
| Share-based payments (Note 6)                           | -                     | -                | -                   | 190,540        | -                  | 190,540          |
| Loss and other comprehensive loss                       | -                     | -                | -                   | -              | (1,047,581)        | (1,047,581)      |
| <b>Balance, September 30, 2023</b>                      | <b>26,771,735</b>     | <b>5,086,763</b> | <b>-</b>            | <b>832,540</b> | <b>(3,797,735)</b> | <b>2,121,568</b> |

The accompanying notes are an integral part of these consolidated financial statements.

**Parvis Invest Inc.****Interim Consolidated Statements of Cash Flows**

(Unaudited, In Canadian Dollars)

For the six months ended September 30, 2023 and 2022

|                                                               | Six months ended   |                    |
|---------------------------------------------------------------|--------------------|--------------------|
|                                                               | September 30, 2023 | September 30, 2022 |
|                                                               | \$                 | \$                 |
| <b>OPERATING ACTIVITIES</b>                                   |                    |                    |
| Loss and other comprehensive loss                             | (1,047,581)        | (1,161,500)        |
| Add non-cash items:                                           |                    |                    |
| Depreciation                                                  | 602                | -                  |
| Interest settled in shares (Note 6)                           | -                  | 48,683             |
| Share-based payments (Note 6)                                 | 190,540            | -                  |
| Loss on derivative liability                                  | -                  | 22,793             |
| <i>Changes in working capital:</i>                            |                    |                    |
| Other receivables                                             | -                  | (1,845)            |
| Prepaid expense                                               | 6,214              | -                  |
| Accounts payable and accrued liabilities                      | (370,553)          | 81,408             |
| <b>CASH USED IN OPERATING ACTIVITIES</b>                      | <b>(1,220,778)</b> | <b>(1,010,461)</b> |
| <b>INVESTING ACTIVITIES</b>                                   |                    |                    |
| Purchase of property and equipment                            | -                  | (2,020)            |
| <b>CASH USED IN INVESTING ACTIVITIES</b>                      | <b>-</b>           | <b>(2,020)</b>     |
| <b>FINANCING ACTIVITIES</b>                                   |                    |                    |
| Net value of issued common shares (Note 6)                    | -                  | 2,410,194          |
| Redemption of convertible note                                | -                  | (687,000)          |
| Issue of convertible note                                     | -                  | 187,000            |
| <b>CASH FROM FINANCING ACTIVITIES</b>                         | <b>-</b>           | <b>1,910,194</b>   |
| <b>INCREASE IN CASH DURING THE PERIOD</b>                     | <b>(1,220,778)</b> | <b>897,713</b>     |
| <b>CASH AT BEGINNING OF PERIOD</b>                            | <b>3,753,883</b>   | <b>414,598</b>     |
| <b>CASH AT END OF PERIOD</b>                                  | <b>2,533,105</b>   | <b>1,312,311</b>   |
| <b>Supplemental Cash Flow Information</b>                     |                    |                    |
| Effect of Interest Settled Through Shares on Convertible Note | -                  | 48,683             |

The accompanying notes are an integral part of these consolidated financial statements.

# **Parvis Invest Inc.**

## **Notes to the Condensed Interim Consolidated Financial Statements**

(Unaudited, In Canadian Dollars)

For the three and six months ended September 30, 2023 and 2022

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### **1. Description and Nature of operations**

Parvis Invest Inc. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on January 18, 2021. On March 6, 2023, the Company changed its name to Parvis Invest Inc. The Company’s common shares are listed on the TSX Venture Exchange (“TSX-V”) under the symbol “PVIS”.

The Company’s head office is located at 410 West Georgia Street, 3<sup>rd</sup> Floor, Vancouver, British Columbia, V6B 1Z3. The Company is a registered Exempt Market Dealer (“EMD”) with the British Columbia Securities Commission (BCSC), to provide EMD services to issuers in all Canadian Provinces. The license took effect on August 24, 2022 under the national registration database (NRD) number: (NRD 74000).

#### **Reverse Takeover**

On March 3, 2023, the Company completed the acquisition of Parvis Invest Inc. (“Parvis”), a private company incorporated under the laws of Canada on January 18, 2019. The Company acquired all of the issued and outstanding shares of Parvis through a three-cornered amalgamation involving a wholly-owned subsidiary of the Company and Parvis (the “Reverse Takeover Transaction”, the “Transaction”, or the “RTO”). Prior to the amalgamation, Gravitas II consolidated its common shares on the basis of one post-consolidation share for 2.49 pre-consolidation shares. The transaction resulted in Gravitas II reducing the number of its common shares to 9,513,253. The Transaction resulted in the shareholders of Parvis holding 53%, of the Company’s issued and outstanding common shares. Accordingly, the transaction is treated as a reverse takeover and the financial statements represent a continuation of the legal subsidiary, Parvis, not the Company, the legal parent. Upon closing of the reverse takeover, Parvis Invest Inc., the private company, changed its name to Parvis Fintech Inc., while the Company changed its name to Parvis Invest Inc. and continued the business of Parvis. See Note 5. Subsequent to the Transaction, the Company’s first financial year-end was changed to March 31, 2023. Accordingly, the financial statements have been prepared for the five-month period from November 1, 2022 to March 31, 2023.

### **2. Basis of presentation and statement of compliance**

#### **(i) Basis of Presentation**

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”), as issued by the IASB. Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IFRS has been omitted or condensed. The unaudited condensed interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the five months ended March 31, 2023.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on November 27, 2023.

## Parvis Invest Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, In Canadian Dollars)

For the three and six months ended September 30, 2023 and 2022

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#### 2. Basis of presentation and statement of compliance (continued)

##### (ii) Basis of Measurement

The consolidated financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which have been measured at fair value. The functional currency of the Company and its subsidiary is the Canadian dollar.

##### (iii) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries on a consolidated basis after elimination of intercompany transactions and balances. Subsidiaries are entities the Company controls when it is exposed, or has rights, to variable returns from its involvement and can affect those returns through its power to direct the relevant activities of the entity.

| Company             | Place of Incorporation | Ownership |
|---------------------|------------------------|-----------|
| Parvis Invest Inc.  | BC, Canada             | Parent    |
| Parvis Fintech Inc. | Canada                 | 100%      |
| Parvis GP Inc.      | Ontario, Canada        | 100%      |

#### 3. Significant accounting estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements are going concern, and fair value of derivative liabilities and warrants. Actual results could differ from these and other estimates. Accounting policies that require management's estimates and judgments are discussed below:

##### Going concern

These consolidated financial statements are prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future.

##### Reverse Takeover

Management relies on observable, and non-observable inputs with valuing the fair value of the consideration paid in the reverse takeover acquisition. These inputs are compared to subsequent results.

## **Parvis Invest Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

(Unaudited, In Canadian Dollars)

For the three and six months ended September 30, 2023 and 2022

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#### **3. Significant accounting estimates and judgements (continued)**

##### **Fair value of derivative liabilities, options and warrants**

Where the fair values of derivative liabilities, options and warrants recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, estimation is required to establish fair values. The judgments and estimates include considerations of liquidity and model inputs such as credit risk (both own and counterparty) funding value adjustments, correlation and volatility.

##### **Judgement for classification of warrants**

For the issuance of units including warrants and shares, the Company uses estimates and judgements to evaluate whether the warrants attached to the units are liability or equity under IAS 32.

#### **4. Summary of significant accounting policies**

The Company's accounting policies are the same as those applied in the Company's annual consolidated financial statements for the five months ended March 31, 2023. These condensed interim consolidated financial statements should be read in conjunction with the Company's most recent annual consolidated financial statements for the five months ended March 31, 2023, except as follows:

#### **5. Reverse Acquisition**

On March 3, 2023, pursuant to the terms of the Transaction, the Company acquired all of the outstanding shares of Parvis, at an exchange ratio of 1:1, for 14,258,482 common shares of the Company. After the completion of the Transaction, the shareholders of Parvis held approximately 53% of the Company. Parvis is considered to have acquired the Company, with the Transaction being accounted as a reverse takeover of the Company by Parvis. Accordingly, the financial statements represent a continuation of Parvis, not the Company with the exception that all figures as to the number of common shares, as well as loss per share in these consolidated financial statements reflect the legal capital of Company at the exchange ratio in the acquisition.

The acquisition constitutes an asset acquisition as the Company does not meet the definition of a business, as defined in IFRS 3, Business Combination.

For the purposes of accounting for the reverse takeover, the percentage of ownership of the pre-acquisition shareholders' of Parvis in the combined entity upon completion of the acquisition was determined to be 53% (which represents 14,258,482 common shares out of total 26,771,735 common shares of the Company outstanding upon closing of the acquisition).

The Company did not pay cash nor issue any shares for finders fees.

## Parvis Invest Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, In Canadian Dollars)

For the three and six months ended September 30, 2023 and 2022

#### 5. Reverse Acquisition (continued)

The allocation of estimated consideration transferred is subject to change and is summarized as follows:

|                                          |    |           |
|------------------------------------------|----|-----------|
| <b>Purchase Price</b>                    |    |           |
| 9,513,253 common shares of the Company   | \$ | 2,368,800 |
| 2,500,000 common shares of the Company   |    | 622,500   |
| 951,316 options of the Company           |    | 123,717   |
| 439,775 warrants of the Company          |    | 27,947    |
| Total Purchase Price                     | \$ | 3,142,964 |
| <b>Allocation of Purchase Price</b>      |    |           |
| Cash                                     | \$ | 3,306,148 |
| Accounts payable and accrued liabilities |    | (190,831) |
| Total net assets acquired                | \$ | 3,115,317 |
|                                          |    |           |
| Non-cash listing expenses                | \$ | 27,647    |
| Cash listing expenses                    |    | 254,651   |
| Total listing expenses                   | \$ | 282,298   |

#### 6. Share capital

##### (i) Authorized share capital

The Company is authorized to issue an unlimited number of common shares with no par value.

##### (ii) Issued share capital

As at September 30, 2023, the Company's issued and outstanding share capital consisted of 26,771,735 common shares (March 31, 2023 - 26,771,735 common shares) with a value of \$5,086,763 (March 31, 2023 - \$5,086,763).

##### (iii) Issuances of share capital

a) On March 3, 2023, the Company issued 2,500,000 shares to a director at no cost for his services relating to the Transaction (see Note 5). The Company recorded \$622,500 as fair value of the issued shares at a price of \$0.249 per share and included in listing expenses.

b) On March 3, 2023, the Company issued 9,513,253 Parvis shares to the former owners of the Company as part of the amalgamation transaction at a price of \$0.249 per share.

c) On February 24, 2023, the Company repurchased 861,518 shares for \$86 from a founder.

d) From May 6, 2022 to May 20, 2022 the Company issued 5,234,000 units in a private placement for \$0.50 per unit. Each unit consisted of 1 share and a  $\frac{1}{2}$  warrant with an exercise price of \$0.75 per share with a fair value of \$290,716. In addition, 308,800 broker warrants were issued with an exercise price of \$0.75 per unit with a fair value of \$72,907. An additional 154,400 broker warrants were issued with an exercise price of \$0.75 per share with a fair value of \$36,454. The expiry date of all the warrants is 2 years from the listing date. Share issue costs amounted to \$423,304. 386,000 of the units were issued to a director for services. The Company recognized the cost of the services at \$0.50 for a total of \$193,000 and are included in share issue costs.

## Parvis Invest Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, In Canadian Dollars)

For the three and six months ended September 30, 2023 and 2022

#### 6. Share capital (continued)

e) On April 22, 2022, the Company repurchased the convertible debt for \$687,000 plus \$48,683 in accrued interest. The accrued interest was settled in shares and the Company issued 427,580 shares for \$48,683.

f) On April 22, 2022, the Company repurchased 427,580 shares for \$43.

#### (iv) Warrants

The continuity of the Company's warrants are as follows:

|                                             | # of Warrants | Weighted Average<br>Exercise Price<br>(\$) |
|---------------------------------------------|---------------|--------------------------------------------|
| Warrants at October 31, 2021                | -             | -                                          |
| Issued as part of private placement units   | 2,810,000     | 0.75                                       |
| Broker warrants                             | 463,200       | 0.75                                       |
| Balance at October 31, 2022                 | 3,273,200     | 0.75                                       |
| Amalgamation with Gravitas II               | 439,775       | 0.50                                       |
| Balance at June 30, 2023 and March 31, 2023 | 3,712,975     | 0.72                                       |

The following table summarizes information about warrants outstanding at September 30, 2023 and March 31, 2023.

| Warrants Outstanding |                        |                    |                                            |                                     |
|----------------------|------------------------|--------------------|--------------------------------------------|-------------------------------------|
| Expiry Date          | Exercise Price<br>(\$) | Outstanding<br>(#) | Weighted Average<br>Exercise Price<br>(\$) | Weighted<br>Average Life<br>(Years) |
| March 3, 2025        | 0.75                   | 2,810,000          | 0.75                                       | 1.42                                |
| March 3, 2025        | 0.75                   | 463,200            | 0.75                                       | 1.42                                |
| June 26, 2026        | 0.50                   | 439,775            | 0.50                                       | 2.74                                |
|                      |                        | 3,712,975          | 0.72                                       | 1.58                                |

The fair value of each warrant granted was estimated using a Black Scholes option pricing model on the date of grant using the following assumptions:

|                                | March 3, 2023 | October 31, 2022 |
|--------------------------------|---------------|------------------|
| Risk Free Rate                 | 4.02%         | 3.71%            |
| Volatility                     | 59%           | 75%              |
| Dividend rate                  | -             | -                |
| Share Price                    | \$0.25        | \$0.37           |
| Weighted average expected life | 3.33          | 2.50             |

## Parvis Invest Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, In Canadian Dollars)

For the three and six months ended September 30, 2023 and 2022

#### 6. Share capital (continued)

##### iv) Options

Effective September 9, 2022 the Company adopted a Stock Option Plan ("Plan") for employees, executive offices, directors or consultants of the Company. The Plan allows the Company to reserve up to 10% of the outstanding shares of the Company to be granted in options.

The following table reflect the continuity of stock options for the three months ended June 30, 2023 and the five months ended March 31, 2023:

|                                                | Number of Stock<br>Options | Weighted Average<br>Exercise Price |
|------------------------------------------------|----------------------------|------------------------------------|
| Balance, October 31, 2021                      | -                          | \$ -                               |
| Granted                                        | 1,562,000                  | 0.50                               |
| Balance, October 31, 2022                      | 1,562,000                  | 0.50                               |
| Assumed on amalgamation                        | 951,316                    | 0.39                               |
| Balance, September 30, 2023 and March 31, 2023 | 2,513,316                  | \$ 0.46                            |

On February 28, 2023, Parvis amended the terms of its stock options and extended their expiry date to October 31, 2032.

The following table reflects the stock options issued and outstanding remaining life as of September 30, 2023 and March 31, 2023:

| Expiry Date      | Exercise Price (\$) | Weighted Average<br>Remaining Life<br>(years) | Number of Options<br>Exercisable and<br>Outstanding |
|------------------|---------------------|-----------------------------------------------|-----------------------------------------------------|
| April 5, 2031    | 0.25                | 7.52                                          | 401,606                                             |
| June 29, 2031    | 0.50                | 7.75                                          | 549,719                                             |
| October 31, 2032 | 0.50                | 9.09                                          | -                                                   |
|                  |                     | 8.55                                          | 951,325                                             |

The fair value of stock options was estimated using Black-Scholes Option Pricing Model on the date of grant using the following assumptions:

|                                | March 3, 2023    | February 28, 2023 | October 31, 2022 |
|--------------------------------|------------------|-------------------|------------------|
| Risk Free Rate                 | 3.28%            | 3.37%             | 3.71%            |
| Volatility                     | 52.93% - 53.10%  | 51.83%            | 75%              |
| Dividend Rate                  | -                | -                 | -                |
| Share Price                    | \$0.25           | \$0.50            | \$0.37           |
| Weighted Average Expected Life | 8.1 – 8.33 years | 9.68 years        | 2.50 years       |

## **Parvis Invest Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

(Unaudited, In Canadian Dollars)

For the three and six months ended September 30, 2023 and 2022

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#### **7. Related party transactions**

The Company considers its related parties to consist of members of its Board of Directors and officers, including their close family members and companies controlled or significantly influenced by such individuals, and reporting shareholders and their affiliates which may exert significant influence over the Company's activities.

Total compensation and other benefits to directors and employees classified as key management, being individuals having authority and responsibility for planning, directing, and controlling the activities of the Company, are included as related party transactions.

##### **i) Three Months ended September 30, 2023**

Key management personnel were paid \$nil (2022 - \$109,752) in cash compensation for the months ended September 30, 2023. As of September 30, 2023, \$nil is payable (2022 - \$nil).

Included in the General and Administrative expenses are directors' fees of \$31,500 (2022 - \$46,500).

During the three months ended September 30, 2023, the Company had share-based compensation made to officers and directors of \$86,212 (2022 - \$nil).

During the three months ended September 30, 2023, the Company paid \$125,055 (2022 - \$nil) to companies owned, directly or indirectly, by officers and directors of the Company and/or by their immediate family.

##### **ii) Six Months ended September 30, 2023**

Key management personnel were paid \$118,375 (2022 - \$301,336) in cash compensation for the six months ended September 30, 2023. As of September 30, 2023, \$nil is payable (2022 - \$nil).

Included in the General and Administrative expenses are directors' fees of \$62,500 (2022 - \$225,000).

During the six months ended September 30, 2023, the Company had share-based compensation made to officers and directors of \$171,486 (2022 - \$nil).

During the six months ended September 30, 2023, the Company paid \$240,348 (2022 - \$2,646) to companies owned, directly or indirectly, by officers and directors of the Company and/or by their immediate family.

## **Parvis Invest Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

(Unaudited, In Canadian Dollars)

For the three and six months ended September 30, 2023 and 2022

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#### **8. Capital management**

The Company requires capital to fund existing and future operations and to meet regulatory capital requirements. The Company's policy is to maintain sufficient and appropriate levels of capital.

The Company's source of capital includes share capital and, if necessary, subordinated loans. The capital management framework followed by the Company is designed to maintain the level of capital that will:

- a) Meet the Company's regulatory capital requirements
- b) Fund current and future operations
- c) Ensure that the Company is able to meet its financial obligations as they come due
- d) Support the creation of shareholder value

The Company is subject to the regulatory capital requirements of NI 31-103 for portfolio managers, which require that it maintain minimum working capital of at least \$50,000 plus \$15,000 towards the Company's Financial Institution Bond ("FIB") insurance deductible and other margin requirements, if any. As at September 30, 2023 and March 31, 2023, the Company was in compliance with this requirement.

#### **10. Risk management**

The Company manages risk through establishing policies that provide management oversight related to the risks of operations, including ensuring that risks are identified and assessed, and that appropriate and effective policies are in place. Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. For purposes of this disclosure, market risk is segregated into three categories: other market risk, interest rate risk and currency risk. Other risks associated with financial instruments include credit risk and liquidity risk.

##### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of these financial instruments.

The Company minimized credit risk associated with its cash balance substantially by dealing with a major financial institution that has been accorded a strong investment grade rating by a primary rating agency. Other than cash, there are no other significant concentrations of credit risk within the Company.

##### **Interest rate risk**

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any interest rate risk is immaterial, as the Company currently only holds cash.

## **Parvis Invest Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

(Unaudited, In Canadian Dollars)

For the three and six months ended September 30, 2023 and 2022

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#### **10. Risk management (continued)**

##### **Liquidity risk**

Liquidity risk is the risk that the Company may not have sufficient liquid assets to meet its commitments associated with these liabilities. The Company retains sufficient cash to maintain liquidity. Management oversees the Company's liquidity risk management program to ensure that the Company has access to enough readily available funds to cover its financial obligations as they come due and to sustain and grow its assets and operations both under normal and stress conditions. The Company holds its cash with a Canadian Chartered Bank.

The Company has \$2,533,105 cash (March 31, 2023 - \$3,753,883) to settle \$433,232 (March 31, 2023 - \$803,785) of accounts payable and accrued liabilities due within one year.

##### **Currency risk**

Currency risk is the risk that the value of financial assets denominated in currencies, other than the functional currency of the Company, will fluctuate due to changes in foreign currency exchange rates.

All financial instruments are denominated in Canadian dollars, the functional currency of the Company. Therefore, the Company is not significantly exposed to currency risk as at September 30, 2023 and March 31, 2023.